



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

Handwritten initials/signature

Michael O. Leavitt
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Partial: Complete: XXX Exploration:
Inspection Date & Time: 8/10/2000 / 10:00a.m.-3:30p.m.
8/14/2000 / 1:00p.m.-4:00p.m.
Date of Last Inspection: 7/20/2000

Mine Name: Horizon Mine County: Carbon Permit Number: ACT/007/020
Permittee and/or Operator's Name: Lodestar Energy, Inc.
Business Address: HC 35 Box 370, Helper Utah 84526
Type of Mining Activity: Underground XXX Surface Prep. Plant Other
Company Official(s): Ricky Richie
State Officials(s): Bill Malencik Federal Official(s): None
Weather Conditions: Clear, Hot, 90's
Existing Acreage: Permitted-317 Disturbed-9 Regraded- Seeded- Bonded-9
Increased/Decreased: Permitted- Disturbed- Regraded- Seeded- Bonded-
Status: Exploration/ XXX Active/ Inactive/ Temporary Cessation/ Bond Forfeiture
Reclamation (Phase I/Phase II/ Final Bond Release/ Liability Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

Table with 5 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows 1-21 listing various permit conditions and their evaluation status.

INSPECTION REPORT
(Continuation sheet)

Page 2 of 3

PERMIT NUMBER: ACT/007/020

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(Comments are Numbered to Correspond with Topics Listed Above)

GENERAL COMMENTS

-Performed a complete inspection of the Horizon Mine. The following things were noted at the mine.

-The high ash coal pile is not moving. The mine manager informed me that Andalex can not use it. He has a meeting this week with Willow Creek. It is estimated that 60% of the coal has been moved.

-Mine was discharging water. The gauge has been moved and was reading 300 GPM. Dave Miller said he measured the outfall and it measured at one-half of the meter volume. The relocation should take care of the problem. The meter is now right side up.

-The operator is preparing the new permit on part of the federal lease. Was advised that the permit on part of the 1,288 acre federal lease is being work on by the permittee. He will submit a redlined copy of the existing document with changes.

-Several items requires routine maintenance, IE., silt fences, straw bales, and ditches. These were all taken care of and the site has been checked.

-The mine is not mining coal.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS

The second quarter pond inspection report was inspected and reported on 7/3/2000. The report was certified. The pond was not discharging. The pond bottom was barely covered.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The water monitoring reports for the second quarter was completed.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

UPDES report was submitted for the month of May.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The matter of coal mine waste has been settled with this understanding that what was referred to as coal waste is high ash coal. This was documented in the board chairman's decision.

INSPECTION REPORT
(Continuation sheet)

Page 3 of 3

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16A. ROADS: CONSTRUCTION/MAINTENANCE/SURFACING

The mine had pulled back the coal piles from the road. The pile is about 30 feet from the road ditch.

21. BONDING AND INSURANCE

The bonding and insurance documents are of record and are contained in the inspections looseleaf booklet maintained by the mine. Received new liability insurance documents from the Division this month and it is good until the last of August 2000. The current bond expires August 2000. The reclamation agreement is dated July 14, 1999.

OTHER:

-I called the whistle blowing requirements as covered in the coal rules, R645-104-120 to Mr. Miller's attention.

-In the last inspection, two comments are as follows:

- 1) The dumpster is now where trash can blow into the undisturbed drainage. It should be moved across the portals.
- 2) Comment on the seeded species. There is a lot of crested wheat grass that was not in the seed mix.

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas, and Mining.

Copy of this Report:

Mailed to: David Miller (Lodestar)

Henry Austin (OSM)

Given to: Pam Grubaugh-Littig (DOGM)

Filed to: Price Field Office

Date: August 16, 2000

Inspector's Signature: _____


Wm. J. Malencik

#26